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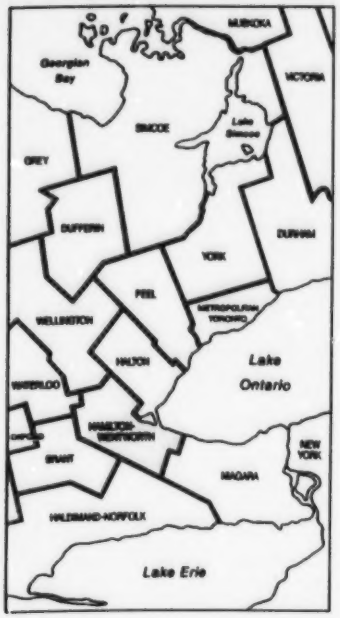


The Regional Municipality of Hamilton-Wentworth, covering a geographic area of 280,764 acres, is located in the south central section of the Province of Ontario, the most densely populated and industrialized area of Canada. Two cities, three towns and one township form the singular community known as Hamilton-Wentworth.

The Region's 447,000 inhabitants enjoy a high standard of living, earning an income 17% above the national average. The mother tongue of 82% of our residents is English, although a multicultural character is present with large numbers of Hamilton-Wentworth citizens being of Italian, German, French, Dutch and Polish ancestry.

The emergence of Hamilton-Wentworth as a regional centre for health, education, business and consumer services over the last decade has contributed to a better balanced and diversified economic base. The manufacturing sector, however, continues to dominate the regional economy and is responsible for the area's reputation as an industrial centre. The 553 industries located in Hamilton-Wentworth produce a broad range of products for domestic and world markets. Manufactured shipments are valued at over $7.5 billion annually and comprise a variety of goods and services such as steel, textiles, food processing, machinery, metal fabrication, electrical products, detergents, footwear and communication systems.

The distribution of goods to national and international markets is handled by a convenient and cost efficient transportation network. Freight services to nearby consumer and industrial markets are provided by more than 100 trucking firms and 2 rail systems. Local industries also enjoy easy accessibility to European and Asian markets through a recently expanded airport and deep water port facility.

*Dofasco Steel Works, Hamilton*

*Cover Photos:*
*Webster's Falls, Flamborough*
*Downtown core, Hamilton*
*77 year old monument to peace, Stoney Creek*

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Since Regional Council has now completed two-thirds of its current term, I believe it is an appropriate time to reflect on some of the major developments which have occurred during these past two years.

In my view, the most noteworthy accomplishment of our Region during this period is its ability to attract development. Significant increases in residential and commercial construction occurred during this time frame. Most notable of these was the completion this year of the Eaton Centre retail complex and the Canadian Imperial Bank of Commerce Tower. These two projects alone have a combined value in excess of $130 million.

These types of developments resulted in additional demands being placed on Regional services. As a result of effective planning, these were provided as required without negatively impacting on the financial strength of the Region or by placing an unreasonable burden on the local taxpayers.

The Region has also benefitted from increases in tourism and convention business during this period.

This new tourism, convention, residential and commercial business are good indicators of Hamilton-Wentworth's attractiveness as a place to visit, live, invest and do business.

In this past year, a severe recession has provided additional challenges for us as more of our citizens are requiring social assistance during these difficult times. The Region had previously set aside resources in periods where this need was less extensive and thus ensured sufficient resources were available to meet these temporary downturns in the economy.

In terms of the future, I believe there are three significant challenges which must be dealt with in order for the Region to be successful in meeting its objectives into the next century.

Firstly, the Region must be able to deal with the possibility that funding from other levels of government may continue to be below the rate of inflation while at the same time the demand for Regional services continues to increase.

Secondly, we must provide for the timely refurbishing and expansion of the municipal transportation, water and sewer infrastructures as well as ensuring adequate solid waste management facilities exist. This will enable the Region to continue to support the current economic base

and any future necessary economic development.

Thirdly, all of the Region's objectives must be accomplished with a view to minimizing or eliminating any negative impacts on our environment.

With respect to the first issue, a review of the Treasurer's Report and accompanying Consolidated Financial Statements will demonstrate the strong financial position of the Region.

This financial strength will provide the Region the flexibility it needs to deal with the difficulties caused if the funding from other levels of government continues to be below the rate of inflation. In addition, it gives the Region a solid base to mitigate the negative impacts of the current recession. This financial position has consistently allowed the Region to provide the necessary services demanded by its residents without resorting to significant increases in taxation.

Obviously, Regional Council will need to regularly review priorities to ensure these resources are allocated in a fashion to ensure the Region's objectives are met in the most efficient and effective manner.

With respect to the second issue concerning additions and improvements to the infrastructure for transportation, water, sewer and solid waste management, the Region continues to expend a significant proportion of its capital funds to plan, develop and modernize these essential services. These types of projects will continue to be allocated the necessary resources during future capital budget processes.

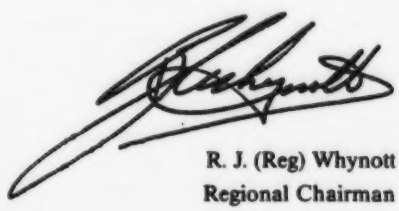
Environmental protection is the third issue of considerable importance to the Region as we continue to look for opportunities to minimize the effect of our operations on the environment. Departments have undertaken paper recycling programs and have increased their use of recycled and recyclable materials. In fact, this complete annual report has been prepared using recycled paper.

We are also assisting our residents in meeting this objective by continuing our successful "Blue Box" curbside recycling program, and increasing the number of available Home Composters in 1991. Home Composters allow lawn clippings and household wastes to be converted into mulch for fertilizing purposes.

Furthermore, the planning process for Regional capital projects and other private sector developments undertaken in the Region incorporates appropriate environmental review procedures, to ensure any potential impact on the environment is known and considered prior to the start of these projects.

The Regional Municipality of Hamilton-Wentworth operates to provide effective and efficient municipal services to its citizens in accordance with established priorities and the resources available to accomplish them. I believe that with the continued cooperation from Regional Council, the management and staff of this organization, we can continue to meet this objective in 1991 and beyond.

In conclusion, I would like to express my sincere thanks to Regional Council, the Chief Administrative Officer, management and staff of the Region for their cooperation and efforts throughout the year. I look forward to working with them in making 1991 another successful year.



R. J. (Reg) Whynott
Regional Chairman

I am pleased to present the Audited Consolidated Financial Statements of the Regional Municipality of Hamilton-Wentworth for the year ended December 31, 1990 and to comment on the year's operating results.

This past year was one of major challenges, as the Canadian economy suffered its first decline since the recession of the early Eighties. Financial restraint by the Federal and Provincial Governments has had a negative effect on the funding received by the Region. In addition, the continuous shift of existing and newly mandated service costs to the Region has placed additional burdens on these limited resources.

Whilst the Provincial unconditional grants to the Region have been frozen since 1988, major costs have been unilaterally shifted from the Province to the Region. The most significant of these was the transfer of policing responsibilities for the Provincial Court System. In addition, the various tax and fee increases implemented by both the Provincial and Federal levels of Government continue to add to the costs of Regional services which must be recovered from local property taxes.

Welfare costs, which are shared between the Federal, Provincial and Regional governments, continued to climb as the slowdown in the economy began to impact on the area. The Region responded by cutting back on other programs, and delaying hiring and other avoidable costs. In addition, funds were transferred from the General Welfare Assistance Reserve which had been established in previous years for this purpose.

The Region has consistently closed each year with a surplus, with the 1990 surplus of $2.1 million being the seventeenth in seventeen years. These surpluses were generated in periods which encompassed both buoyant and depressed economic conditions. Furthermore, our sound financial base continues to provide an underpinning for Regional operations in the years ahead, regardless of the prevailing economic outlook.

There are some consistent threads which mark the Region's financial operations, and successive Councils over the years have maintained and enhanced them, leading to the steady improvement in the Region's financial condition. These include:

- "Pay-As-You-Go" policies, which use internal reserves to finance capital programs, on a repayable basis. This has enabled external debt to be minimized and debt charges to be held to 5.2% of current expenditures.

- A budgetary policy requiring that new programs be funded at full year cost in the year of initiation. This avoids any subsequent year's annualization effects thereby enhancing the budgetary flexibility in that year.

- The existence of up-to-date budgetary monitoring systems, which electronically ensure funds availability prior to commitment of funds for purchases.

- The use of modern funds management techniques applied on a "pooled" basis, which maximize earnings on invested funds. In addition, the Region's performance is regularly measured against industry benchmarks.

- The prudent use of reserves, so that future flexibility is maintained and volatility in tax levels is avoided. For example, Council policy determines that annual budgets contain "average experience" needs for welfare and snow clearing, with any unspent funds going automatically into reserves earmarked to handle adverse experience in future years.

- The allocation of interest to all Reserves and Reserve Fund balances to ensure their purchasing power is maintained over time.

Financial planning and budgeting are vital in a growing Region. Hamilton-Wentworth continues to emphasize the long term aspects of capital programming, and uses a "priority/rationing" approach to its annual operating and five year capital budgets.

The Government Finance Officers Association of the United States and Canada has awarded the Region its Distinguished Budget Award for the past 6 years, a recognition of the effectiveness of our budgeting.

Each year, Council establishes a policy target for its own operations and the boards and agencies which it funds. A base budget is established, well below this target and increments of program activity are ranked and presented to Council at an annual Budget Day meeting.

As a result, an evaluation and trade-off is made between existing programs at the "affordability margin", new or enhanced programs, and the capital programs. This ensures a high degree of service level/cost balancing is achieved in the budget planning and approval process. Furthermore, it enables the Region's program mix to have a degree of change built into it, without new programs always being considered at incremental cost.

Some measures of financial condition which are worth noting from the 1990 results include:

- A 10.5% reduction in the debt outstanding, to $105.7 million, or $236 per capita.

- An increase of 29.1% in the Region's Reserves and Reserve Fund, to $127.2 million.

- A 3% or $39 million increase in taxable assessment continuing a pattern of steady growth, and maintaining a healthy ratio of 37.7% commercial/industrial to 62.3% residential/farm assessment.

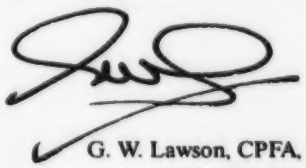
- A total of $16.9 million in investment income, up from $12.2 million in 1989.

- A $41.5 million unexpended capital financing balance, ensuring maximum flexibility for timing of required future capital financing.

A more detailed financial analysis can be found further on in this report under the Financial Review section.

The financial markets are changing continuously and so are the public's expectations of governments. However, the Region of Hamilton-Wentworth is well positioned financially for the Nineties. It has in place the financial policies and resources for what will undoubtedly be a challenging decade.

In conclusion, I would like to express my appreciation to all members of the Department of Finance, management and staff of other Regional Departments and Boards, and to the Region's new auditors, Ernst & Young, for all their hard work during the year and particularly at year end. As a result of their efforts, Hamilton-Wentworth was the first large Region to file final, audited financial statements for 1990.



G. W. Lawson, CPFA, CGA
Treasurer and
Commissioner of Finance

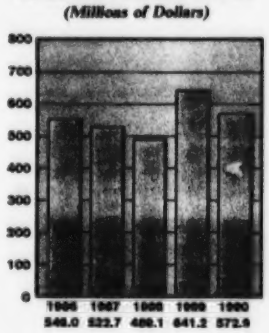
The Region of Hamilton-Wentworth experienced a mixed year economically as a national recession and a major labour dispute in the last half of 1990 contributed to a decline in the local economy from the previous year.

There were several factors both national and local in nature that were responsible for Hamilton-Wentworth's economic situation. High interest rates, low consumer confidence, political uncertainty and foreign competition have, from a national point of view, discouraged investment and growth. Although it is difficult to make predictions about the national economy, most experts feel that an economic turnaround will begin in late 1991. Local conditions that adversely influenced the Region's economy included a protracted strike to a local steelmaker that negatively impacted many area businesses. In addition, the loss of several airlines from Hamilton Airport, and the partial stoppage of a major road project due to the cancellation of provincial funding for environmental reasons also affected the area.

***Construction***

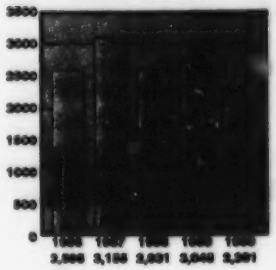
The slowdown in growth was reflected in the value of building permits issued in 1990 which totalled $572.9 million, a 10.7% decrease from 1989. The largest decline at $132.5 million, occurred in residential construction which dropped due to a reduction in demand for houses caused by high mortgage rates, buyers waiting for house prices to fall, and uncertainty about the future. The $262.3 million in building permits issued for the residential sector, however, continues to account for the largest proportion, representing 46% of the total in 1990. The downturn in the economy did not affect the value of industrial permits as they rose to $122 million, an increase of $72 million from the previous year. Several major projects were responsible for industrial permits rising so dramatically, a capital expansion at Stelco Steel, a new federal post office building by Canada Post, and a new head office and distribution centre for Fortino's, a supermarket chain, were examples of such projects. The remaining two components of the total building figure, commercial and institutional permits, amounted to $88 million and $100.6 million respectively.

*BUILDING PERMITS ISSUED*
*(Millions of Dollars)*




Housing starts, as expected, followed the same pattern established by the building permits, dropping to 2,381 starts in 1990 compared with 3,048 in 1989. The slower economic climate resulted in housing starts being the lowest in 5 years. The City of Hamilton continues to be the leader, accounting for 63% or 1,502 of the total 1990 housing starts.

*HOUSING STARTS*
*(Number of Starts)*



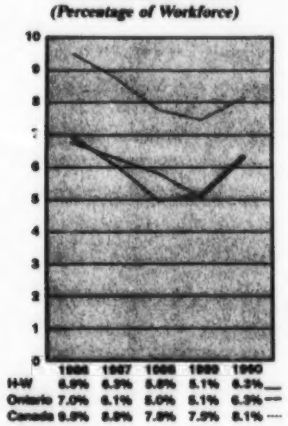

The year 1990 was highlighted by several significant construction projects in progress or proposed. Theatre Aquarius, a professional theatre organization has started construction in downtown Hamilton on a 750 seat facility costing $11 million. Plans for a $33 million full service seniors complex were unveiled by Royalcrest Lifecare Group during the year. The seniors project, located near the Theatre Aquarius development, is expected to be completed in 1991 and will include a Lifecare Centre, a 217 bed facility for nursing home level residents, a retirement residence accommodating 215 elderly and a 6-storey commercial complex called Townsview Place. Other news announced included a $100 million condominium project containing 407 units planned for the City of Hamilton downtown core. Known as the Riviera Club, the development would include two 23-storey condominium apartment towers and a 3-storey commercial complex. Transportation construction projects of importance that were in progress in 1990 or will begin shortly include the erection of a $10 million hangar facility at Hamilton Airport to

house Transport Canada aircraft, a $60 million train station renovation for GO Transit, and continued work on the East-West portion of the Redhill Creek Expressway.

***Employment***

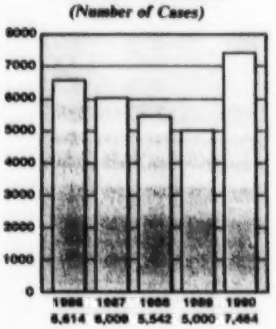
At the end of 1990, 21,000 people were looking for work in the Region resulting in a 6.3% unemployment rate, the same as the provincial average. This unemployment rate was higher than the 5.1% recorded in 1989 for Hamilton-Wentworth, but was substantially lower than the 8.1% national average. Stelco workers not recalled after a lengthy strike registered for unemployment insurance, thus accounting in part for the higher rate. One positive sign in the employment picture was the 4,400 person increase in the number of employed from 1989. Presently, 316,400 persons are employed in the Region, a jump of 35,400 from 1986 levels.

***UNEMPLOYMENT RATE***
***(Percentage of Workforce)***




Plant closures and layoffs affected the welfare assistance caseload, reversing the declining trend seen in social assistance recipients over each of the last five years. In 1990, the caseload volume climbed by 2,464 to 7,464, a 49% increase in one year. This caseload translates into 14,207 beneficiaries. The ratio of persons to cases rose from 1.70 to 1.90 reflecting a situation whereby more families are applying for assistance.

***WELFARE CASELOAD***
***(Number of Cases)***



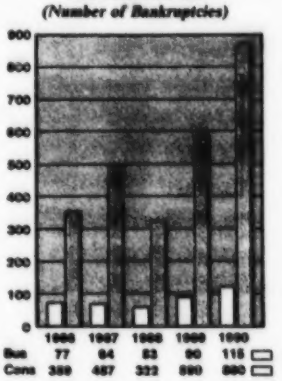

***Business Relocations***

The establishment of a system of industrial parks continues to have a positive affect on the number of new firms choosing Hamilton-Wentworth as home. In 1990, 94 firms located in the Region, a 34 firm or 56% increase from 1989. For five consecutive years the number of new firms locating here has been greater than the year before. In 1990, these new firms helped to add 732 new jobs to the workforce, a 40% increase from 1989. The largest single new job increase was found in a manufacturing company but overall the majority of new jobs were created in service-related industries. Northern Plastics Ltd., a plastic bag manufacturer, created the highest number of new jobs at 49, followed by White Rose Nursery, a retail business with 40 new jobs. Other firms of note that contributed to the healthy job creation figures for 1990 included Fargotech, a castings manufacturer with 30 jobs, the restaurant firm, Don Peppino Ltd. and the auto dealership, Passport with 25 new jobs each.

The downsizing of manufacturing and service industries caused by the deepening recession in 1990 had a negative impact on the Region as 1,366 jobs were lost due to layoffs, closure or corporate relocation. The most significant job loss was the announced relocation of 400 jobs by the insurance company Simcoe Erie. Other major job losses included the steel company, Stelco, eliminating 260 jobs and Usarco Ltd., a scrap metal firm closing with the loss of 235 jobs.

In 1990, 995 bankruptcies were reported compared to 680 in 1989. Business bankruptcies accounted for 11.6% of the total.

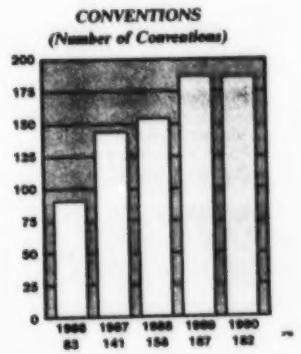
***BANKRUPTCIES***
***(Number of Bankruptcies)***



***Tourism and Conventions***

The tourism industry continues to be an important component in the Region's economy employing 40,000 people directly or indirectly. It is estimated that approximately 1.5 million tourists visited the Region in 1990, generating $165 million into the community. The Hamilton-Wentworth Region has 4 visitor information centres and plans are underway for the construction of another centre along the Queen Elizabeth Highway in an effort to reach more motorists and tour operators. The origin of the 17,847 visitors that dropped into these information centres in 1990 were as follows: Canada 10,128, United States, 5,372 and other 2,347.

The Region's efforts to entice new and repeat conventions through an aggressive marketing plan continued to pay dividends. A total of 182 conventions were held in 1990 attracting a total of 71,854 delegates and 142,063 non-delegates, a new record for Hamilton-Wentworth. Convention business has doubled in the last five years and the prospects for future growth in the hospitality industry look promising.



*Recently opened $100 million retail complex, Hamilton*

***Taxable Assessment***

Taxable assessment is the value placed on property to which a mill rate is applied for the purposes of determining property taxes, and is considered a good barometer of how well the local economy performed during the year. Taxable assessment is a key economic indicator as it measures the degree of building or construction activity that is taking place in the residential, business, commercial and industrial sectors.

The Region's 1990 taxable assessment grew by $39 million, or 3% compared with a $46.9 million, or 3.7% increase in 1989. Residential assessment made up 74.2% of the taxable assessment growth in 1990, reflecting a slower pace in the commercial, industrial and business components of the area's economy. A positive trend in taxable assessment growth is clear, as total assessment rose 11.4% from 1986 to 1990, compared to a population increase of 5.6% over the same period.

***Summary***

The Region of Hamilton-Wentworth is in a good position to weather the current economic slump as a result of the diversification that has taken place in the local economy over the last decade. Reducing our reliance on the manufacturing sector and concentrating on developing business in the growth sectors of tourism, health care and education has enabled Hamilton-Wentworth to endure the economic downswing better than many communities across Canada.

The key regional economic indicators in 1990 have shown a decrease in economic performance but are still relatively good considering they are being compared to historically high growth recorded in recent years. With no anticipated major labour disruptions expected, and predictions of slow economic recovery in the national economy, the coming year should show some improvement from the economic statistics of 1990. The Regional Municipality of Hamilton-Wentworth has a strong financial condition that will assist the area's economic recovery in 1991 as it takes place.

- *FIVE YEAR REVIEW*
- *CONSOLIDATED FINANCIAL STATEMENTS*
- *TRUST FUNDS FINANCIAL STATEMENTS*

# *FIVE YEAR REVIEW*

**FINANCIAL (in $000's)**

| | 1990 | 1989 | 1988 | 1987 | 1986 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **CURRENT PROGRAM ACTIVITY** | | | | | |
| Analysis of Revenue | | | | | |
| Property taxation | **140,657** | 124,526 | 110,028 | 99,944 | 90,280 |
| Direct charges to ratepayers | **48,424** | 46,037 | 43,876 | 43,637 | 40,225 |
| Provincial subsidies | **133,061** | 109,270 | 99,976 | 95,643 | 90,739 |
| Fees and service charges | **53,902** | 48,099 | 42,625 | 40,697 | 36,840 |
| Fees to other municipalities | **12,452** | 12,163 | 13,733 | 9,478 | 8,483 |
| Contributions from own funds | **22,442** | 8,653 | 1,196 | 1,012 | 277 |
| Investment income | **2,125** | 2,029 | 767 | 751 | 761 |
| Federal grants | **979** | 852 | 851 | 718 | 804 |
| Sale of publications and equipment | **265** | 447 | 841 | 422 | 370 |
| Other revenue | **758** | 291 | 318 | 372 | 313 |
| Surplus from previous year | **2,667** | 3,462 | 1,514 | 1,534 | 1,535 |
| | **417,732** | 355,829 | 315,725 | 294,208 | 270,627 |
| Analysis of Expenditure | | | | | |
| Salaries and wages | **161,761** | 144,299 | 130,154 | 122,115 | 116,821 |
| Goods and services | **106,775** | 96,111 | 81,492 | 71,747 | 65,265 |
| Transfer payments | **125,444** | 98,491 | 86,199 | 83,440 | 70,417 |
| Debt charges | **21,603** | 14,261 | 14,418 | 15,392 | 16,590 |
| | **415,583** | 353,162 | 312,263 | 292,694 | 269,093 |
| Accumulated Net Revenue at the end of the year | **2,149** | 2,667 | 3,462 | 1,514 | 1,534 |
| **CAPITAL PROGRAM ACTIVITY** | | | | | |
| Capital Expenditure | **93,173** | 103,138 | 75,859 | 65,619 | 50,263 |
| Capital Financing | | | | | |
| Contributions from own funds | **27,195** | 44,612 | 47,989 | 40,702 | 34,970 |
| Long term liabilities | **-** | 60,113 | - | - | - |
| Ontario grants | **27,212** | 20,710 | 25,714 | 15,519 | 12,403 |
| Road billings | **11,840** | 8,210 | 7,057 | 6,344 | 1,091 |
| Subdivider contributions | **419** | 664 | 567 | 603 | 159 |
| Other | **8,418** | 3,852 | 4,806 | 1,973 | 3,991 |
| | **75,084** | 138,161 | 86,133 | 65,141 | 52,614 |
| Unexpended Capital Financing at the end of the year | **41,497** | 59,586 | 24,563 | 14,289 | 14,767 |
| **RESERVES AND RESERVE FUND AT THE END OF THE YEAR** | **127,216** | 98,539 | 85,435 | 77,903 | 72,398 |

**(UNAUDITED)**

| | 1990 | 1989 | 1988 | 1987 | 1986 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **NET LONG TERM DEBT (in $000's)** | | | | | |
| General | **63,142** | 77,125 | 21,803 | 26,268 | 30,549 |
| Regional enterprises | **33,970** | 40,486 | 43,253 | 47,807 | 52,930 |
| Reserves | **8,570** | 485 | 881 | 1,177 | 1,335 |
| | **105,682** | 118,096 | 65,937 | 75,252 | 84,814 |
| **CHARGES FOR NET LONG TERM DEBT (in $000's)** | | | | | |
| General | **13,711** | 6,325 | 6,214 | 6,382 | 6,840 |
| Regional enterprises | **7,892** | 7,936 | 8,203 | 9,010 | 9,750 |
| Reserves | **1,604** | 431 | 338 | 204 | 201 |
| | **23,207** | 14,692 | 14,755 | 15,596 | 16,791 |
| **TAXABLE ASSESSMENT (in $000's)** | | | | | |
| Residential and farm | **838,277** | 809,377 | 780,682 | 757,704 | 740,658 |
| Commercial and industrial | **349,266** | 341,422 | 325,939 | 321,961 | 317,630 |
| Business | **158,288** | 156,063 | 153,383 | 151,510 | 149,473 |
| Total | **1,345,831** | 1,306,862 | 1,260,004 | 1,231,175 | 1,207,761 |
| Commercial, industrial and business as a percentage of total | **37.7%** | 38.1% | 38.0% | 38.5% | 38.7% |
| **STATISTICAL** | | | | | |
| Population* | **447,273** | 442,363 | 431,615 | 425,243 | 423,398 |
| Area in acres | **280,764** | 280,764 | 280,764 | 280,764 | 280,764 |
| Employees | | | | | |
| Continuous full-time | **3,678** | 3,454 | 3,427 | 3,260 | 3,222 |
| Part-time | **438** | 740 | 632 | 587 | 575 |
| Households* | **174,545** | 172,580 | 168,810 | 166,115 | 163,607 |
| **PER CAPITA INFORMATION** | | | | | |
| Taxable assessment | **$3,009** | $2,954 | $2,919 | $2,895 | $2,853 |
| Current expenditure | **929** | 798 | 723 | 688 | 636 |
| Net Long Term Debt | | | | | |
| General | **141** | 174 | 51 | 62 | 72 |
| Regional enterprises | **76** | 92 | 100 | 112 | 125 |
| Reserves | **19** | 1 | 2 | 3 | 3 |
| | **$ 236** | $ 267 | $ 153 | $ 177 | $ 200 |
| Charges for Net Long Term Debt | | | | | |
| General | **$ 31** | $ 14 | $ 14 | $ 15 | $ 16 |
| Regional enterprises | **18** | 18 | 19 | 21 | 23 |
| Reserves | **3** | 1 | 1 | - | - |
| | **$ 52** | $ 33 | $ 34 | $ 36 | $ 39 |

**(UNAUDITED)**

* *Population and household figures for 1990 are based on a trend analysis of the counts in previous year*

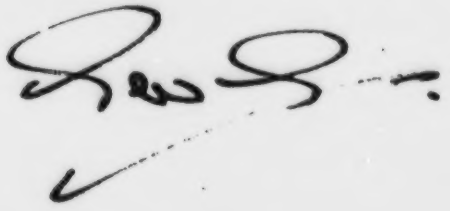
## *MANAGEMENT REPORT*

The management of The Regional Municipality of Hamilton-Wentworth is responsible for the integrity and objectivity of the financial information and representations contained in the Consolidated Financial Statements and other sections of their Financial Report. The Consolidated Financial Statements, which in part, are based on informed judgements and estimates made by management, have been prepared in accordance with the accounting principles disclosed in note (1) to the Consolidated Financial Statements, applied on a consistent basis.

To assist in carrying out their responsibility, management maintains an accounting system and related controls which will provide reasonable assurance that transactions are executed and recorded in accordance with their authorization, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements.

The Region's independent auditors, Ernst & Young, are engaged to express an opinion as to whether these Consolidated Financial Statements present fairly in all material respects, the Region's financial position and operating results in accordance with the accounting principles disclosed in note (1) to the Consolidated Financial Statements. Their report is based on procedures they believe to be sufficient to support such an opinion.

The Consolidated Financial Statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in note (1) to the Consolidated Financial Statements. Financial information elsewhere in this Financial Report is consistent with that in the Consolidated Financial Statements.



G. W. Lawson, CPFA, CGA
Treasurer and Commissioner of Finance
February 28, 1991

# *CONSOLIDATED BALANCE SHEET*

***As at December 31, 1990***

| | 1990 | 1989 |
|---|---|---|
| | $ | $ |
| **ASSETS** | | |
| Unrestricted | | |
| Investments (note 2) | **139,064** | 149,001 |
| User charges receivable | **5,427** | 6,129 |
| Accounts receivable | **47,434** | 48,692 |
| Other current assets | **4,738** | 3,922 |
| Investment in own debentures (note 2) | **6,969** | 7,733 |
| | **203,632** | 215,477 |
| Restricted | | |
| Investments (note 2) | **12,584** | 9,613 |
| Capital Outlay | | |
| Capital outlay financed by long term liabilities and to be recovered in future years (note 1 (b)(iii)) | **104,892** | 117,026 |
| Add: loss on foreign exchange (note 5 (b)) | **790** | 1,070 |
| | **105,682** | 118,096 |
| | **321,898** | 343,186 |
| **LIABILITIES** | | |
| Temporary loans | **2,756** | 7,067 |
| Accounts payable and accrued liabilities | **40,133** | 46,972 |
| Other current liabilities | **2,465** | 10,259 |
| | **45,354** | 64,298 |
| Net long term liabilities (note 5) | **105,682** | 118,096 |
| **FUND BALANCES** | | |
| Current operating fund, to be used to offset taxation in subsequent year (note 6 (a)) | **2,149** | 2,667 |
| Unexpended capital financing (note 6 (a)) | **41,497** | 59,586 |
| Reserves (note 7) | **114,632** | 88,926 |
| Reserve fund (note 7) | **12,584** | 9,613 |
| | **321,898** | 343,186 |

*All amounts are in thousands of dollars*

*The accompanying notes are an integral part of this financial statement*

# *CONSOLIDATED STATEMENT OF OPERATIONS*

***For the Year Ended December 31, 1990***

| | 1990 $ | 1989 $ |
|---|---|---|
| **SOURCES OF FINANCING** | | |
| Taxation and user charges | | |
| Residential and farm taxation | 87,798 | 77,505 |
| Commercial, industrial and business taxation | 52,859 | 47,021 |
| Water billings | 21,841 | 21,044 |
| Sewer surcharge | 26,583 | 24,993 |
| Transit fares | 21,810 | 21,171 |
| Other user charges | 46,285 | 41,928 |
| | 257,176 | 233,662 |
| Grants | | |
| Government of Canada | 1,984 | 852 |
| Province of Ontario | 160,273 | 129,980 |
| | 162,257 | 130,832 |
| Other | | |
| Investment income | 16,914 | 12,228 |
| Proceeds from the issue of long term liabilities | - | 60,113 |
| Road billings | 11,840 | 8,210 |
| Lot levies and subdivider contributions | 6,110 | 4,639 |
| Sale of fixed assets | 1,201 | 2,888 |
| Fines | 135 | 147 |
| Other | 10,744 | 3,379 |
| | 46,944 | 91,604 |
| **REGIONAL FUND BALANCES AT THE BEGINNING OF THE YEAR (note 7 (a))** | | |
| Current operating fund, to be used to offset taxation | 2,667 | 3,462 |
| Unexpended capital financing | 59,586 | 24,563 |
| **TOTAL FINANCING AVAILABLE** | 528,630 | 484,123 |

*The accompanying notes are an integral part of this financial statement*

| | 1990<br>$ | 1989<br>$ |
|---|---|---|
| **APPLIED TO** | | |
| Current operations | | |
| General government | **15,310** | 15,128 |
| Protection to persons and property | **60,498** | 53,344 |
| Transportation services | **82,225** | 76,730 |
| Environmental services | **64,511** | 52,971 |
| Health services | **13,751** | 11,763 |
| Social and family services | **112,291** | 81,645 |
| Recreation and cultural services | **6,352** | 5,167 |
| Planning and development | **7,251** | 6,513 |
| | **362,189** | 303,261 |
| Capital operations | | |
| General government | **1,153** | 405 |
| Protection to persons and property | **2,210** | 4,524 |
| Transportation services | **47,989** | 57,506 |
| Environmental services | **32,756** | 29,603 |
| Health services | **3,941** | 4,620 |
| Social and family services | **979** | 5,549 |
| Recreation and cultural services | **472** | 982 |
| Planning and development | **4,618** | 2,316 |
| | **94,118** | 105,505 |
| Net change to reserves and reserve fund | **28,677** | 13,104 |
| **REGIONAL FUND BALANCES AT THE END OF THE YEAR (note 7 (a))** | | |
| Current operating fund, to be used to offset taxation | **2,149** | 2,667 |
| Unexpended capital financing | **41,497** | 59,586 |
| **TOTAL APPLICATIONS DURING THE YEAR** | **528,630** | 484,123 |

*All amounts are in thousands of dollars*

# *SCHEDULE OF CURRENT OPERATIONS*

***For the Year Ended December 31, 1990***

| | 1990 $ | 1989 $ |
|---|---|---|
| **REVENUE** | | |
| Taxation and user charges | | |
| Residential and farm taxation | 87,798 | 77,505 |
| Commercial, industrial and business taxation | 52,859 | 47,021 |
| Water billings | 21,841 | 21,044 |
| Sewer surcharge | 26,583 | 24,993 |
| Transit fares | 21,810 | 21,171 |
| User charges | 44,543 | 39,092 |
| Grants | | |
| Government of Canada | 979 | 852 |
| Province of Ontario | 133,061 | 109,270 |
| Other | | |
| Investment income | 2,125 | 2,029 |
| Sale of publications and equipment | 265 | 447 |
| Fines | 135 | 147 |
| Other | 623 | 144 |
| | 392,622 | 343,715 |
| **EXPENDITURE** | | |
| General government | 14,353 | 13,545 |
| Protection to persons and property | 60,474 | 53,344 |
| Transportation services | 82,146 | 76,690 |
| Environmental services | 64,511 | 52,955 |
| Health services | 13,751 | 11,763 |
| Social and family services | 112,290 | 81,645 |
| Recreation and cultural services | 6,352 | 5,167 |
| Planning and development | 7,251 | 6,513 |
| **NET APPROPRIATIONS TO OTHER FUNDS** | | |
| Reserves and reserve fund | 15,596 | 16,704 |
| Capital fund | 16,416 | 26,184 |
| | 393,140 | 344,510 |
| **SURPLUS AT THE BEGINNING OF THE YEAR** | 2,667 | 3,462 |
| **SURPLUS AT THE END OF THE YEAR** | 2,149 | 2,667 |

**(UNAUDITED)**

*All amounts are in thousands of dollars*

# *SCHEDULE OF CAPITAL OPERATIONS*

***For the Year Ended December 31, 1990***

| | 1990<br>$ | 1989<br>$ |
|---|---|---|
| **SOURCE OF FUNDS** | | |
| Long term liabilities incurred | - | 60,113 |
| Province of Ontario grants | 27,212 | 20,710 |
| Government of Canada grants | 1,004 | - |
| Investment income | 4,895 | 1,553 |
| Road billings | 11,840 | 8,210 |
| Subdivider contributions | 419 | 664 |
| Local improvement recoveries | 1,170 | 511 |
| Rental income | 572 | 279 |
| Sale of fixed assets | 472 | - |
| Other | 305 | 1,509 |
| Net appropriations from other funds | | |
| Current operating fund | 16,416 | 26,184 |
| Reserves and reserve fund | 10,779 | 18,428 |
| | 75,084 | 138,161 |
| **EXPENDITURE** | | |
| General government | 1,153 | 405 |
| Protection to persons and property | 2,209 | 3,684 |
| Transportation services | 46,957 | 57,277 |
| Environmental services | 31,901 | 28,796 |
| Health services | 3,941 | 4,610 |
| Social and family services | 979 | 5,548 |
| Recreation and cultural services | 472 | 982 |
| Planning and development | 5,561 | 1,836 |
| | 93,173 | 103,138 |
| **UNEXPENDED CAPITAL FINANCING AT THE BEGINNING OF THE YEAR** | 59,586 | 24,563 |
| **UNEXPENDED CAPITAL FINANCING AT THE END OF THE YEAR** | 41,497 | 59,586 |

**(UNAUDITED)**

*All amounts are in thousands of dollars*

# *RESERVES AND RESERVE FUND*
# *SCHEDULE OF CONTINUITY*
***For the Year Ended December 31, 1990***

| | 1990<br>$ | 1989<br>$ |
|---|---|---|
| **AVAILABLE AT THE BEGINNING OF THE YEAR FOR FUTURE PURPOSES** | 98,539 | 85,435 |
| **REVENUE** | | |
| Contributions from the current operating fund | 23,706 | 21,296 |
| Contributions from the capital fund | 1,483 | 4,470 |
| Contributions from developers | 5,691 | 3,974 |
| Interest earned | 9,893 | 8,647 |
| Sale of fixed assets | 465 | 2,457 |
| Other | 9,816 | 3,757 |
| | 51,054 | 44,601 |
| **EXPENDITURE** | | |
| Transfers to the current operating fund | 8,110 | 4,592 |
| Transfers to the capital fund | 12,263 | 22,898 |
| Charges for long term liabilities | 1,604 | 431 |
| General | 400 | 3,576 |
| | 22,377 | 31,497 |
| **AVAILABLE AT THE END OF THE YEAR FOR FUTURE PURPOSES** | 127,216 | 98,539 |

**(UNAUDITED)**

*All amounts are in thousands of dollars*

# *NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*

***For the Year Ended December 31, 1990***

## 1. ACCOUNTING POLICIES

The Consolidated Financial Statements of the Corporation of The Regional Municipality of Hamilton-Wentworth are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

(a) Basis of Consolidation

(i) The Consolidated Financial Statements reflect the assets, liabilities, sources of financing and expenditure of the Revenue Fund, Capital Fund, Reserve Fund and Reserves and includes the activities of all committees of Council and the following local boards and Regional enterprises which are under the control of Council:

Wentworth Library Board
Hamilton-Wentworth Regional Board of Commissioners of Police
Homes for the Aged - Macassa Lodge
Homes for the Aged - Wentworth Lodge
The Hamilton Street Railway Company
Safety Services and Adjusters Limited
Canada Coach Lines Limited

All interfund assets and liabilities and interfund expenditure and revenue have been eliminated in the consolidated statements.

(ii) The financial activities of certain local boards and entities are not consolidated except to the extent of amounts due to or due from those entities and the Region's contribution to those entities. Those entities which are not consolidated are as follows:

Hamilton Civic Hospitals
Royal Botanical Gardens
Children's Aid Societies
Conservation Authorities
Disabled and Aged Regional Transit System
Hamilton-Wentworth Retirement Funds
Transit Employees Pension Plan

(iii) Regionally administered programs which are fully funded by the Province of Ontario on the basis of a March 31 year end are excluded from these statements. Those programs which are not consolidated are as follows:

Mental Health Promotion
Drug and Alcohol Assessment
Child and Adolescent Services

(iv) Trust Funds and their related operations administered by the Region are not consolidated but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

(v) Sinking Funds and their related operations administered by the Region are not consolidated but are reported separately on the Sinking Funds Statement of Continuity and Balance Sheet.

(b) Basis of Accounting

(i) Accrual Accounting

Sources of financing and expenditure are reported on the accrual basis of accounting with the exception of principal charges on long term liabilities, vested sick leave benefits and contributions to defined benefit pension plans, all of which are charged to operations in the periods in which they are paid.

The accrual basis of accounting recognizes revenue as it is earned and measurable; expenditure is recognized as it is incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported in the year of acquisition as an expenditure on the Consolidated Statement of Operations.

(iii) Capital Outlay to be Recovered in Future Years

Capital outlay to be recovered in future years represents the outstanding principal portion of unmatured long term liabilities and is reported on the Consolidated Balance Sheet.

(iv) Investments

Investments are recorded at cost net of any unamortized discount or premium. The discount or premium is amortized using the straight line method over the life of the investments.

(v) Foreign Currency Translation

Long term liabilities denominated in foreign currency are translated into Canadian dollars at the rate of exchange prevailing at December 31, 1990. Any resulting gain or loss on translation is recorded on the Consolidated Balance Sheet as a capital outlay.

## 2. INVESTMENTS

| | 1990 | 1989 |
|---|---|---|
| | $ (000's) | $ (000's) |
| Unrestricted investments | 139,064 | 149,001 |
| Investment in own debentures | 6,969 | 7,733 |
| Restricted investments (reserve fund) | 12,584 | 9,613 |
| | 158,617 | 166,347 |

The total investments listed above which are reported on the Consolidated Balance Sheet at cost, have a market value of $155,607,000 (1989 - $165,226,000) at the end of the year.

Of the total investment, $5,632,000 (1989 - $7,329,000) represents the U.S. denominated investment of $4,930,000 (1989 - $6,280,000 U.S.), guaranteed by the Province of Alberta. This bond was purchased as a hedge against potential currency fluctuations experienced on the U.S. denominated long term debt held by the Region.

## 3. PENSION AGREEMENTS

(a) Ontario Municipal Employees Retirement System

The Region makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of approximately 2,711 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The Region's share of contributions to OMERS for 1990 was $5,777,000 (1989 - $3,306,000) for current service and is included as an expenditure on the Consolidated Statement of Operations.

(b) Other Pension Plans

Approximately 820 employees of the Region are members of various defined benefit pension plans and will be future beneficiaries under their terms and conditions.

The amount contributed to these plans for current service in 1990 amounted to $236,000 (1989 - $294,000) and is included as an expenditure on the Consolidated Statement of Operations.

Based on the most recent reports from an independent actuary, the plans have assets and obligations of $133,912,000 and $131,452,000 respectively. Pension Plan assets are valued on a 5 year market value moving average basis. The obligation represents the sum of the present value of all prospective benefits and of all future combined current service contributions.

At the year end, these actuarial reports indicate that these pension plans are fully funded.

(c) Retirement Plan

A retirement plan for Councillors was approved by Regional Council in 1985.

An amount of $38,000 (1989 - $37,000) has been provided for current service and is included as an expenditure on the Consolidated Statement of Operations.

## 4. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Region's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to $13,504,000 (1989 - $13,217,000) at the end of the year. An amount of $752,000 (1989 - $806,000) was paid to employees who left the Region's employment during the current year.

Two reserves have been established to provide for this past service liability and are reported on the Consolidated Balance Sheet. The total of these reserves at the end of the year, is $3,936,000 (1989 - $4,219,000).

The liability for Regional (non-police) employees, as determined by an independent actuary, is estimated to be fully funded. As a result, there were no contributions required in the current year and prior year. An unfunded liability of $9,973,000 (1989 - $9,317,000) is attributable to the Hamilton-Wentworth Regional Board of Commissioners of Police. An amount of $380,000 (1989 - $360,000) was provided for in the current year and is reported on the Consolidated Statement of Operations.

Anticipated payments over the next five years to employees who will be eligible to retire are:

| | $ |
|---|---|
| 1991 | 178,000 |
| 1992 | 113,000 |
| 1993 | 58,000 |
| 1994 | 120,000 |
| 1995 | 108,000 |
| Total | 577,000 |

## 5. NET LONG TERM LIABILITIES

(a) In addition to long term liabilities incurred directly, the Region has assumed the responsibility for the charges on debt originally incurred by local municipalities in respect of functions which are now a Regional responsibility.

As well as incurring long term liabilities for Regional purposes, the Region also incurs long term liabilities on behalf of the Area Municipalities and School Boards. The responsibility for raising the amounts required to service this debt lies with the respective Area Municipalities and School Boards.

The Region is contingently liable for long term liabilities with respect to tile drainage and shoreline property assistance loans, and for debentures for which the responsibility for the payment of principal and interest has been assumed by Area Municipalities, School Boards and unconsolidated local boards, municipal enterprises, and utilities. The total amount of this contingent liability outstanding as at December 31, 1990 is $103,664,000 (1989 - $107,734,000) and is not reported on the Consolidated Balance Sheet. Approval of the Ontario Municipal Board has been obtained for the long term liabilities issued in the name of the Region.

(b) The balance of net long term liabilities reported on the Consolidated Balance Sheet is made up of the following:

| | 1990 $ (000's) | 1989 $ (000's) |
|---|---|---|
| Long term liabilities incurred by the Region | 199,055 | 207,906 |
| Long term liabilities incurred by others for which the Region has assumed responsibility | 18,853 | 21,876 |
| Long term liabilities incurred by the Region for which other governments have assumed responsibility | (103,664) | (107,734) |
| Sinking Fund and Ministry of the Environment Debt Retirement Fund accumulated to the end of the year to retire the Region's related long term liabilities | (8,562) | (3,952) |
| Net long term liabilities at the end of the year | 105,682 | 118,096 |

Included in "Net long term liabilities" on the Consolidated Balance Sheet is an amount of $4,477,000 (1989 - $6,046,000) payable in U.S. dollars, which is translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date. If the liability were converted into Canadian dollars at the rate of exchange prevailing when the liability was translated, there would be a loss of $790,000 (1989 - $1,070,000) on exchange. To minimize this foreign currency exchange exposure, the Region has purchased U.S. investments guaranteed by the Province of Alberta as a hedge against this currency exposure. (see note 2)

(c) Of the net long term liabilities certain principal payments do not represent a burden on general Regional revenue, as they are to be recovered in future years from other sources. The total principal payments for the periods 1991 to 1995, 1996 to 2000, and 2001 and thereafter and the source of financing are summarized as follows:

| | 1991 to 1995 $ (000's) | 1996 to 2000 $ (000's) | 2001 and thereafter $ (000's) | Total Outstanding Debt Dec. 31 1990 $ (000's) | Dec. 31 1989 $ (000's) |
|---|---|---|---|---|---|
| Special charges on benefitting landowners | 2,603 | 203 | - | 2,806 | 3,331 |
| Water rates | 8,254 | 1,512 | - | 9,766 | 13,692 |
| Sewer rates | 6,959 | 5,325 | 9,114 | 21,398 | 23,024 |
| Reserves | 3,518 | 2,932 | 2,120 | 8,570 | 485 |
| Total from other sources | 21,334 | 9,972 | 11,234 | 42,540 | 40,532 |
| Total from general revenue | 32,505 | 19,689 | 10,948 | 63,142 | 77,564 |
| Total | 53,839 | 29,661 | 22,182 | 105,682 | 118,096 |

## 6. FUND BALANCES AT THE END OF THE YEAR

(a) Fund balances on the Consolidated Statement of Operations of $2,149,000 (1989 - $2,667,000) and $41,497,000 (1989 - $59,586,000) at the end of the year are comprised of the following:

| | 1990 $ (000's) | 1989 $ (000's) |
|---|---|---|
| Funds Available for Current Expenditures | | |
| For general reduction of taxation | 2,149 | 2,667 |
| Funds Available for Capital Expenditures | 84,769 | 72,356 |
| Capital expenditures yet to be financed from: | | |
| Current fund | (6,397) | (21) |
| Long term liabilities | (5,346) | (2,627) |
| Reserves and reserve funds | (8,093) | (4,960) |
| Subsidies, owner's share locals, land sales | (23,436) | (5,162) |
| Net unexpended capital financing | 41,497 | 59,586 |

(b) The balance available for the general reduction of taxation for the fiscal year ending December 31, 1990 has been increased by an amount from the General Welfare Assistance, Winter Control and Contingency Reserves of $1,636,000 (1989 - $499,000) in accordance with the Finance Policies approved by Regional Council.

## 7. RESERVES AND RESERVE FUND

The total balances of reserves and reserve fund of $114,632,000 (1989 - $88,926,000) and $12,584,000 (1989 - $9,613,000) respectively are made up of the following:

| | 1990 $ (000's) | 1989 $ (000's) |
|---|---|---|
| Reserves set aside for specific purposes by Council | | |
| Capital programs | 62,586 | 47,673 |
| Ministry of the Environment contingencies | 552 | 625 |
| Debt retirement | 4,360 | 3,981 |
| Sick leave liability | 3,936 | 4,234 |
| Replacement of equipment | 3,702 | 3,333 |
| Self insurance | 8,764 | 7,735 |
| Workers' compensation | 4,236 | 3,516 |
| OMERS pension surplus | 1,919 | 1,888 |
| Other | 24,577 | 15,941 |
| | 114,632 | 88,926 |
| Reserve Fund set aside for specific purposes by legislation | | |
| Lot levies | 12,584 | 9,613 |
| Total | 127,216 | 98,539 |

## 8. CHARGES FOR NET LONG TERM LIABILITIES

(a) Total charges for the year for net long term liabilities which are reported on the Consolidated Statement of Operations were as follows:

| | 1990 $ (000's) | 1989 $ (000's) |
|---|---|---|
| Principal payments including contributions to the Sinking Funds and to the Ministry of the Environment Debt Retirement Fund | 11,673 | 7,828 |
| Interest | 11,534 | 6,864 |
| | 23,207 | 14,692 |

(b) Total charges for the year for net long term liabilities were recovered as follows:

| | | |
|---|---|---|
| General Regional revenue | 13,711 | 6,325 |
| Regional Enterprises | 7,892 | 7,936 |
| Reserves | 1,604 | 431 |
| | 23,207 | 14,692 |

## 9. CONTINGENT LIABILITIES

(a) Pursuant to the Workers' Compensation Act, the Region is liable for all compensation related to this Act. An amount of $4,236,000 (1989 - $3,516,000) has been provided for this liability and is reported on the Consolidated Balance Sheet as a reserve. Payments charged against operations in the current year amounted to $932,000 (1989 - $1,292,000).

(b) On June 8th, 1987, the Ontario Municipal Board ruled in favour of an assessment appeal by Dofasco Inc. which could require the Region to repay an amount slightly in excess of $2,000,000 for the years 1984 through to 1990.

This order was appealed to the Divisional Court of Ontario which upheld the appeal and referred the matter back to the Ontario Municipal Board. However, the Divisional Court allegedly misdirected the Ontario Municipal Board on the approach to take in reconsidering the assessment. As a result, the Region, the Corporation of the City of Hamilton, and the Regional Assessment Commissioner have appealed the decision to the Ontario Court of Appeal.

This appeal is expected to be dealt with in 1991 with the ultimate resolution by the Ontario Municipal Board expected in 1992.

Sufficient funds have been provided in the Tax Stabilization Reserve for this potential liability.

(c) The Region has agreed to guarantee a $700,000 line of credit for the Hamilton Philharmonic Orchestra Society Inc. Under the terms of the agreement, the Hamilton Philharmonic Orchestra Society Inc. has provided the Region with sufficient funds to purchase Regional Municipality of Waterloo and Ontario Hydro discounted guaranteed securities having a total market value at December 31, 1990 of $216,000. These securities will mature on December 21, 2000 and May 27, 2004 respectively at a value sufficient to discharge the amount of the guarantee.

The exposure to the Region will decline each year during the term of the agreement by the increase in the market value of the securities. As of December 31, 1990, the approximate maximum exposure is $484,000.

The terms of this agreement have been approved by the Ontario Municipal Board.

(d) A Statement of Claim was served on the Region on February 2, 1990 as a result of an alleged failure on the part of the Region to fulfil its obligation to an option to lease land for the purpose of developing it into an Air Cargo Maintenance facility. The claim is for approximately $10,000,000. The approximate maximum exposure for this claim, if any, cannot be made at this time.

(e) A Statement of Claim was served on the Region on September 7, 1989 as a result of an alleged failure on the part of the Region to fulfil its obligations pursuant to a combined Offer to Lease and Lease relating to a proposed new Regional Headquarters Building. The claim is for approximately $60,000,000. The approximate maximum exposure for this claim, if any, cannot be made at this time.

(f) The Provincial Government has withdrawn funding to a portion of a major transportation project known as the Red Hill Creek Expressway. As a result, the Region has suspended the awarding of additional contracts related to this project. A contingent liability could exist for potential claims by persons affected by this decision. However, no formal actions have been initiated at this time.

An application is being made by the Region for a Court Order compelling the Provincial Government to reinstate funding for this project.

(g) Other legal actions are outstanding against the Region as of December 31, 1990, the potential total liability of these actions are not significant and are adequately covered by the Insurance Reserve.

(h) No opinion is expressed concerning the outcome of the above contingencies or claims.

## 10. CONTRACTUAL OBLIGATIONS

(a) The Region has agreements with the Ministry of the Environment, Ontario Housing Assistance Program and Ontario Land Corporation for various capital projects. The outstanding future obligations under these agreements amount to $13,311,000 (1989 - $13,662,000). The source of funds for future payments

under these agreements will be through the Region's capital budget and related capital financing plan.

(b) The Region has outstanding contractual obligations of approximately $42,476,000 (1989 - $19,010,000) for capital works. Regional Council has authorized the financing of these obligations.

(c) The Region has executed lease agreements requiring annual payments chargeable to future years as they become due and payable. The only agreements of any significance are those for administrative office space. The minimum lease payments for these leases over the next five years are as follows:

| | $ |
|---|---|
| 1991 — | 1,674,000 |
| 1992 — | 559,000 |
| 1993 — | 246,000 |
| 1994 — | 230,000 |
| 1995 — | 153,000 |
| Total — | 2,862,000 |

These payments do not reflect the anticipated renewals for leases expiring during this period.

(d) The Region has entered into an agreement with Laidlaw Waste Systems Ltd. for the disposal of the Region's solid waste. The agreement escalates by the application of an annual inflation factor. The cost for 1990 was $10,076,000 (1989 - $9,453,000). The agreement expires December 31, 1995.

## 11. PUBLIC LIABILITY INSURANCE

In recent years there have been substantial increases in the premiums charged by the insurance industry for public liability insurance. As a result, the Region has undertaken some portion of the risk, which was, in previous years, covered by outside insurers.

The Region is self insured for public liability claims up to $500,000 to September 1, 1990 and up to $2,000,000 thereafter for any individual claim or for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits to a maximum of $10,000,000 per claim per occurrence.

The Region has a reserve for Committed Self Insurance claims which as at December 31, 1990 amounted to $3,050,000 (1989 - $2,513,000) and is reported on the Consolidated Balance Sheet under Reserves. Claims settled for the year of $214,000 (1989 - $188,000); and further for prior years of $184,000 (1989 - $101,000), have been reported as an expenditure on the Consolidated Statement of Operations.

In addition, the Region maintains a general Uncommitted Insurance Reserve which amounted to $5,714,000 as at December 31, 1990 (1989 - $5,222,000). This reserve can be used to supplement the Self Insurance Reserve for potential cost overruns arising from unforseen claim awards and unanticipated premium increases.

Management estimates that the reserves are sufficient to cover the Region's liability for any unsettled claims.

## 12. TRUST FUNDS

Trust funds and their related operations administered by the Region amounting to $2,390,000 (1989 - $2,386,000) are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

## 13. BUDGET FIGURES

Budgets established for the Capital Fund, Reserves and Reserve Fund are on a project oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the Consolidated Statement of Operations.

## 14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted in 1990.

ERNST & YOUNG

## *AUDITORS' REPORT*

To the Chairman, the Members of Council, Inhabitants
and Ratepayers of the Corporation of the Regional
Municipality of Hamilton-Wentworth

We have audited the consolidated balance sheet of the Corporation of the Regional Municipality of Hamilton-Wentworth as at December 31, 1990 and the consolidated Statement of Operations for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of The Regional Municipality of Hamilton-Wentworth and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

The financial statements for the preceding year were examined by other Chartered Accountants.

Ernst & Young

Hamilton, Canada
February 28, 1991

Chartered Accountants

## *TRUST FUNDS*
## *STATEMENT OF CONTINUITY*
***For the Year Ended December 31, 1990***

| | Total | Welfare Trusts | Macassa Lodge Trusts | Wentworth Lodge Trusts |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **BALANCE AT THE BEGINNING OF THE YEAR** | 2,386,078 | 8,023 | 1,312,375 | 1,065,680 |
| Receipts | | | | |
| Residents' Deposits | 4,032,130 | - | 2,319,320 | 1,712,810 |
| Interest Earned | 302,418 | - | 164,001 | 138,417 |
| Other | 14,146 | - | - | 14,146 |
| | 4,348,694 | - | 2,483,321 | 1,865,373 |
| Disbursements | | | | |
| Maintenance Payments | 3,113,840 | - | 1,917,378 | 1,196,462 |
| Residents' Charges | 703,940 | - | 381,679 | 322,261 |
| Payments to Estates | 520,268 | - | 219,686 | 300,582 |
| Payments on Discharge | 6,443 | - | 5,715 | 728 |
| | 4,344,491 | - | 2,524,458 | 1,820,033 |
| **BALANCE AT THE END OF THE YEAR** | 2,390,281 | 8,023 | 1,271,238 | 1,111,020 |

## *TRUST FUNDS*
## *BALANCE SHEET*
***As at December 31, 1990***

| | Total | Welfare Trusts | Macassa Lodge Trusts | Wentworth Lodge Trusts |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **ASSETS** | | | | |
| Investments | | | | |
| Cash and Short Term Deposits | 2,291,184 | - | 1,198,356 | 1,092,828 |
| Long Term Securities | 72,350 | - | 34,350 | 38,000 |
| Share Certificates | 190 | - | - | 190 |
| Reserve Funds | 8,023 | 8,023 | - | - |
| Due from (to) the Region | 18,534 | - | 38,532 | (19,998) |
| | 2,390,281 | 8,023 | 1,271,238 | 1,111,020 |
| **FUND EQUITY** | 2,390,281 | 8,023 | 1,271,238 | 1,111,020 |

***The accompanying notes are an integral part of these financial statements***

# *NOTES TO THE TRUST FUNDS FINANCIAL STATEMENTS*

***For the Year Ended December 31, 1990***

## 1. ACCOUNTING POLICY

The Financial Statements of the Trust Funds of the Corporation of The Regional Municipality of Hamilton-Wentworth are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs.

These financial statements are reported on a modified cash basis of accounting. Under this basis of accounting, all transactions are recorded as receipts or disbursements as cash is received or paid and in addition, invoices received in the month following the year end which relate to 1990 expenditures are recorded as 1990 disbursements.

## 2. INVESTMENTS

The total for investments by the trust funds of $2,371,747 (1989 - $2,365,212) reported on the Balance Sheet at cost, have a market value of $2,371,483 (1989 - $2,372,274) at the end of the year.

## *AUDITORS' REPORT*

To the Chairman, the Members of Council, Inhabitants
and Ratepayers of the Corporation of the Regional
Municipality of Hamilton-Wentworth

We have audited the balance sheet of the Trust Funds of the Corporation of the Regional Municipality of Hamilton-Wentworth as at December 31, 1990 and the Statement of Continuity for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Regional Municipality of Hamilton-Wentworth and the changes in fund balances for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

The financial statements for the preceding year were examined by other Chartered Accountants.

Ernst & Young

Hamilton, Canada
February 28, 1991

Chartered Accountants

The Region of Hamilton-Wentworth records and summarizes all financial transactions and balances under three separate funds or accounting entities; Current Fund, Capital Fund, Reserves and Reserve Fund.

A comprehensive range of day-to-day municipal services including transportation, police, environmental, planning, economic development, recreation, culture, social and health services are reported in the Current Fund. The Capital Fund accounts for the receipt and disbursement of significant funds used for the acquisition or construction of capital facilities. Activities in the Capital Fund will result in benefits to the Region lasting beyond one year and would include the acquisition, construction or improvement of land, roads, equipment and buildings. The Reserves and Reserve Fund represent amounts set aside for a specific purpose either voluntarily or because of a legal obligation. Reserves are established by Council to cover known future expenditure such as vehicle or building replacement, capital financing or rate stabilization. The term Reserve Fund is used to account for those monies collected through lot levies charged to developers which have a legislated purpose.

***Current Fund***

The money expended in 1990 to provide essential services and benefits to the inhabitants of Hamilton-Wentworth was $393.1 million compared to $344.5 million in 1989. The community demands placed on the Region in these tough economic times, together with Provincially mandated program shifts, resulted in spending exceeding inflation levels in all service areas.

Health and Social Service costs which traditionally ranks as the most costly service performed by Hamilton-Wentworth comprised $126 million or 32.1% of total spending. These services are people oriented and include general welfare assistance, day care, hostels, homes for the aged, community health education and medical services. A dramatic 34.9% jump in costs to perform these services in 1990 over 1989 is attributed to new programs mandated by the Province of Ontario and the prevailing economic conditions. A substantial increase in the welfare caseload and unemployment numbers was one major factor. In addition, new provincial programs that offered more attractive employment incentives, improved child benefits and shelter allowances, also contributed to the added cost.

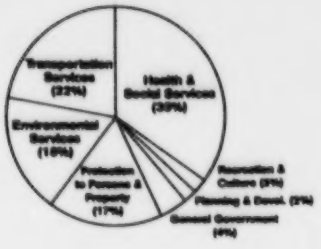
Transportation related expenditures amounted to $82.1 million in 1990, the second most expensive service performed by the Region. Transportation services include transit operations, airport maintenance, and maintenance of the Regional Road System. A 7.1% increase in transportation costs over 1989 took place this year and was the result of inflationary pressures and debt charges related to the Road Rehabilitation program.

The $64.5 million spent in 1990 for environmental services was 21.8% higher than the preceding year due to enhanced recycling initiatives, more frequent maintenance checks to the storm, water and sanitary sewer system, and increased debt charges resulting from capital improvements to the infrastructure. Specific costs include $19.7 million for the sanitary sewer system, $2.8 million for the storm sewer system, $20.2 million for the waterworks system, $13.8 million for solid waste disposal, and $8 million for pollution control and administration.

Costs associated with Protection to Persons and Property rose significantly over 1989 as well, up 13.4% to $60.5 million compared to $53.3 million the previous year. Protection to Persons and Property went up double the rate of inflation due to increased police costs. The addition of 21 police constables and 2 civilian staff in 1990, as well as, above inflation salary and wage increases of 7.23% for the year were mainly responsible for the higher police expenditures. The transferring of court security and forensic accounting services from the Province to the Region and a requirement for additional staff training, also contributed to the higher police costs.

The remaining current operating costs representing the functions of General Government, Recreation and Culture, and Planning and Development totalled $28 million, an increase of $2.7 million or 10.8%. These functions record expenditures related to general administration, library services, and marketing costs to attract business, conventions and tourists to the Region. These type of costs are very labour intensive and have gone up more than the inflation rate as a result of Provincially mandated programs such as pay and job equity, and because of an ongoing economic strategy implemented in 1986 to promote the Region.

**1990**
***CURRENT EXPENDITURE BY FUNCTION***


Transportation Services (22%)
Health & Social Services (39%)
Environmental Services (16%)
Protection to Persons & Property (17%)
Recreation & Culture (3%)
Planning & Devel. (2%)
General Government (4%)

In 1990, revenue from current operations was $392.6 million, an increase of $48.9 million from 1989. Over 82% of all revenue received to finance current operations was derived from three sources: taxation, direct water and sewer billings to ratepayers, and provincial subsidies. Taxation revenue increased $16.1 million in 1990 over 1989, due to a regional tax increase of 7.7% and additional supplementary taxes from new residential growth. Monies received from the Province of Ontario in the form of grants climbed 21.8% or $23.8 million in 1990. This was solely attributable to increased costs incurred for subsidized programs since unconditional grants were frozen in 1990. User fees went up 13.9% in 1990 to $44.5 million primarily due to a 36% rate increase for commercial use of landfill sites and transfer stations.

A current operating surplus of $2.1 million from current year supplementary taxes was reported at the close of operations in 1990.

***Capital Fund***

The Region's capital program in 1990 incurred expenditure of $93.2 million, a decrease of $10 million from 1989.

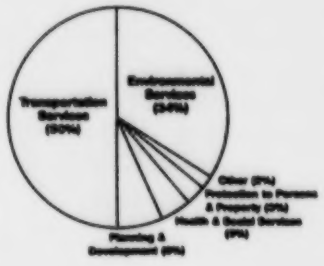
A reduction in capital spending for Transportation Service related projects of $10.3 million is responsible for the overall decline this year. Lower transit capital costs in 1990 due to the completion of the Wentworth Street transit garage in 1989 and no replacements or additions to the bus fleet, accounted for this drop. Transportation capital costs, however, continued to dominate capital spending totalling $47 million, or 50.4% of all expenditure.

Capital outlay for Environmental Services increased by $3.1 million or 10.8%. Environmental services are the second largest spending category, demonstrating Regional Council's concern for environmental protection. The expenditure breakdown included $11.6 million for the sanitary sewer system, $11.5 million for storm sewers, $6.2 million for waterworks, and $2.6 million for solid waste disposal.

The biggest proportionate increase in capital spending from a year ago occurred for Planning and Development capital projects which went up 203% to $5.6 million in 1990. New and enhanced economic development projects designed to encourage business growth in the Region were responsible for the large increase. Land acquisition costs of $2.3 million for a new Airport Industrial Park and expansion and servicing costs connected with the Ancaster and Hamilton Mountain Industrial Parks of $1.9 million and $1.1 million respectively, combined to account for most of the expenditure. Other existing industrial parks and a Small Business Centre also incurred some capital costs.

Other costs of note were consumed in the Health and Social Services field where $4.9 million was spent representing 5.3% of the total. A 14.5% decrease in capital spending for health related activities occurred in 1990. Although a new expenditure of $.5 million for the St. Joseph's Ambulatory Centre was incurred in 1990, less funds were expended for health services from the previous year as a result of the completion of several hospital expansion projects. However, a sizeable $3.3 million contribution was still made in 1990 towards the area hospital expansion program. The ongoing renovations to the Wentworth and Macassa Homes for the Aged accounted for the $1 million spent under the Social Service function. Social Service costs expended declined by 82.4% from 1989 due to reduced renovation work required to the two lodging homes.

**1990**
***CAPITAL EXPENDITURE BY FUNCTION***




Revenue to fund capital projects decreased sharply in 1990 to $75.1 million, a 45.7% or $63.1 million reduction from 1989. Extensive pre-financing of future capital projects in 1989 from current operations, reserves, and through the issuance of $60.1 million in external debt, accounts for the significant decline in capital revenue in 1990.

Capital financing was raised from five main sources in 1990: current operations, reserves, provincial grants, road billings and investment income.

Financing from internal sources as a percentage of total revenue remained quite constant at 36.2% in 1990, a marginal increase from the 32.3% proportion in 1989. Internal sources consist of contributions from current operations and reserves which went down in total $17.4 million or 39% from 1989. Provincial grants rose by $6.5 million or 31.4% from the preceding year due to the increased road rehabilitation and Redhill Creek Expressway activity, which is cost shared with the Province of Ontario. Revenue from road billings is comprised mostly of road and sidewalk repairs to City of Hamilton streets that are billed back to the municipality. Investment income increased $3.3 million to $4.9 million, making up 6.5% of all capital financing in 1990.

The financing mix varies considerably from year to year making it difficult to draw many conclusions when comparing the current year numbers from the previous year. The percentage composition of capital revenue will depend to a large extent on whether, external debt was issued during the year to finance future capital projects, as well as, the status of major capital projects in progress.

***Reserves and Reserve Fund***

An increase in the Reserves and Reserve Fund balances of $28.7 million, or 29.1% was reported in 1990. The reserves supporting the construction or ongoing maintenance of the storm sewer, solid waste, sanitary sewer, waterworks and transportation infrastructure, increased by $12.6 million in 1990, accounting for close to half of this year's increase. This reflects the Region's strategy of using reserves as a self financing tool in order to reduce our reliance on external debt.

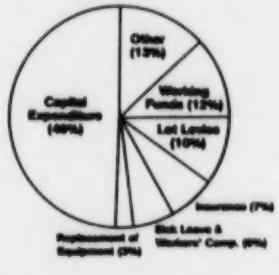
The total expenditure charged against reserves in 1990 amounted to $22.4 million, a $9.1 million decrease from 1989. Reduced financing for capital projects was the reason for the lower expenditure figures from the year before. Fluctuations in capital financing expenditures from year to year are not that unusual, as they depend on the completion stage of the work in progress which can vary in any given year. Using reserves to fund capital improvement projects is illustrated by the fact that 54.8% of the total appropriations from reserves in 1990 was applied for this purpose. Of the 1990 reserve appropriations, $8.1 million was transferred to fund current operations, $12.3 million was spent on capital programs, $1.6 million was utilized for long term debt payments and $.4 million were considered expenses of a miscellaneous nature.

In 1990 revenue recorded in the Reserves and Reserve Fund rose 14.5% to $51.1 million compared to $44.6 million in 1989. This revenue increase can be attributed to several reasons. A 14.4% increase in interest income from invested proceeds due to prudent investment decisions, and a 11.3% increase in contributions from the Current Fund were two factors.

Another important source of revenue was the monies received from developers, which rose 43.2% to $5.7 million. This increase was attributable to higher lot levy charges assessed against new development which saw rates increase 3.5 times midway through 1990, and the record housing starts in 1989 combined with a phase in development/lot levy charge which allowed developers to pay as much as 75% of their development charges in 1990. Other revenue increased 161.3% to $9.8 million in 1990, attributable to the reclassification of a pension actuarial deficiency account, from a current liability to a reserve. These funds totalling $8.3 million were previously set aside to fund an actuarial deficit. These plans are currently fully funded.

The 101 Reserve or Reserve Fund accounts utilized by Hamilton-Wentworth management have a designated purpose, either approved by Regional Council or legislated by the Province of Ontario, and cannot be used for unrelated events or transactions. Reserves totalling $114.6 million have been established by Regional Council for a variety of reasons including, the replacement of equipment, the financing of capital programs, and as a safeguard against potential future liabilities such as sick leave or pension payouts. Also, a Reserve Fund of $12.6 million has been set aside for specific purposes by provincial legislation to help finance the cost of new residential and non-residential development.

*1990*
*COMPONENT BREAKDOWN*
*OF RESERVES & RESERVE FUND*

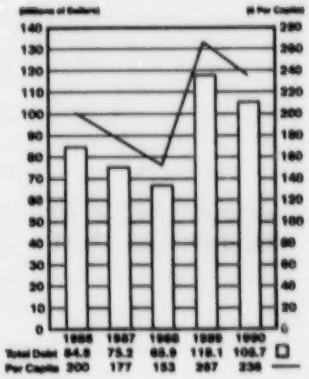



***Debt Management***

No external debentures were issued in 1990. Consequently, the Region's outstanding net long term debt for 1990 decreased $12.4 million or $31

per capita from 1989, and now rests at $105.7 million. Over the last 5 years, the Hamilton-Wentworth debt has increased by $20.9 million, a relatively small increase when considering that capital spending for this period amounted to $388.1 million. At the same time, the Region's Reserves and Reserve Fund balances increased $54.8 million. The combination of reduced debt and increased Reserves and Reserve Fund balances translates into a reserve/debt ratio of 1.20, an improvement from the ratio of .85 for 1986.

*OUTSTANDING DEBT*




The Region's net long term debt includes $4.5 million of U.S. denominated debentures which are translated at the rate of exchange prevailing at December 31, 1990. If the liability were converted into Canadian dollars, an exchange loss of $790,000 would exist. To offset these exchange losses on the repayment of debt, the Region has set aside funds in the amount of $.6 million under a U.S. Exchange Rate Stabilization Reserve, and has also purchased U.S. investments guaranteed by the Province of Alberta as a hedge against future currency fluctuations.

The stability of the Region's debt is to a large extent the result of a Pay-As-You-Go Financing Policy adopted by Council several years ago. Under this policy, most capital projects are financed from current operating revenue and reserves. This long range financing policy has helped the Region of Hamilton-Wentworth to reduce debt levels and to be in a position to allow some debenture financing to take place for specific infrastructure programs. For the third year in a row, Hamilton-Wentworth has maintained an "AAA" Canadian Bond Rating, the highest rating that can be achieved. This will allow us to issue future debt at favourable interest rates, thus reducing our interest cost.

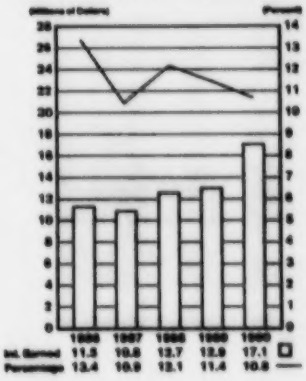
***Investment Management***

The Region's Investment Portfolio in 1990 realized a 10.83% rate of return on an average net investment position of $157.7 million. Interest earnings accounted for 10.73% or $16.9 million of the total $17.1 million return. Realized capital gains generated the remaining $.2 million.

During 1990, selected securities experienced a decrease in market valuation which occurs periodically in portfolios of this nature. The cumulative decline represented 1.17% on the average net portfolio balance or $1.8 million. Such securities were not sold as market valuation fluctuations of this type are quite common and it is anticipated that these securities will show significant price improvements in 1991.

The total return of the Region's Investment Portfolio in 1990 when combining interest earnings, capital gains and market fluctuations was 9.66% or $15.2 million. The Region has an active management program whereby securities are bought and sold at selected points throughout the year as compared to holding securities from purchase until their eventual maturity. This type of investment technique requires more time to pursue market opportunities but has translated into greater returns for Hamilton-Wentworth. A passively managed Bond Fund would have earned 7.5% throughout 1990, or some 2.16% less than the Region's active management program. The Region's investment returns when compared to other performance benchmarks such as the Consumer Price Index or returns generated by Treasury Bills are well above average and demonstrate a relatively stable, double digit, multi-year income stream.

*HAMILTON-WENTWORTH PORTFOLIO REALIZED INVESTMENT RETURN*




The Region's investment policy specifies that only instruments with a relatively high credit rating may be purchased. This policy guarantees that the Region's Investment Portfolio will consist of low risk investments backed by either government, chartered bank or trust company securities. At the end of 1990, the Hamilton-Wentworth investment portfolio was comprised mainly of Government of Canada and Provincial Government instruments at 37.8% and 16.5% respectively. The purchase of debentures from other municipalities made up 24.4% of the portfolio, the Region's own debentures accounted for 4.5%, and securities from banks and trust companies represented the remaining 16.8%.

The Region provides a wide range of services as legislated by the Province of Ontario. Responsibilities that are not considered area wide but are defined as local in scope are performed by the area municipalities.

Except for the issuance of debentures, the financing and administration of the primary and secondary education system in the Hamilton-Wentworth Region is the responsibility of the local school boards. These school boards are independent of the regional and area municipalities.

The cost of regional services is recovered by a combination of user charges, provincial and federal subsidies, and by a tax levy on the area municipalities. Water and sewer costs are recovered by user rates based on the assessed value of the property, or based on water usage for properties equipped with meters. Services such as the Homes for the Aged, solid waste disposal and public transit are partially funded by user fees. The Province issues two types of grants to the Region, conditional and unconditional. Conditional grants are related to specific types of expenditure, and must be used for their designated purpose, whereas unconditional grants are based on such measures as the number of households, and are used to finance general expenditure. The area municipalities collect taxes from the ratepayers of Hamilton-Wentworth on behalf of the Region, the Boards of Education, as well as for their own purposes.

## *DEPARTMENT AND COMMISSION HEADS*

**W. M. Carson**
Chief Administrative Officer

**C. T. Millar**
Chief of Police

**M. J. Schuster**
Commissioner of Social Services

**J. D. Thoms**
Commissioner of Planning

**P. P. Ainsworth**
Airport Manager

**E. A. F. Scott**
Medical Officer of Health

**I. M. Calbick**
Chief Librarian

**J. Johnston**
Commissioner of Human Resources

**G. W. Lawson**
Treasurer and Commissioner of Finance

**E. M. Gill**
Acting Commissioner of Engineering

**S. A. Ghanem**
Director of Economic Development

**R. C. Roszell**
Commissioner of Legal Services

**L. D. Turvey**
Commissioner of Transportation

**R. C. Prowse**
Regional Clerk

# *DEPARTMENT SERVICES*

***Chief Administrative Officer***

- provide overall direction, counsel and support for Regional departments

***Finance and Treasury Services***

- provide financial expertise, corporate reporting, accounting control and financial policy development
- provide sewer, water and solid waste billing and customer services
- secure capital financing for the Region, Area Municipalities and School Boards
- prepare and monitor current and capital budgets
- provide corporate insurance services
- provide payroll, pension, benefit and accounts payable
- administer the Region's development charge/lot levy policies
- manage Regional and pension fund investments

***Social Services***

- provide social and financial assistance to the unemployed, the unemployable and persons in need of temporary assistance
- operate Regional child development centres, day nurseries and home day care programs
- aid community, social and health agencies in their funding to provide support services in the community
- provide services and facilities for senior citizens through two Homes for the Aged

***Board of Commissioners of Police***

- prevent and detect crime within the Region
- protect persons and property
- maintain law and order
- provide safety instruction to youth
- apprehend and bring before the courts of law, alleged offenders
- reduce motor vehicle collisions through selective traffic enforcement

***Engineering***

- plan, design, construct and operate water treatment facilities and distribution systems
- plan, design, construct and operate sanitary sewage treatment facilities and sewage collection systems (also storm sewers in the City of Hamilton)
- plan, design, construct and maintain Regional road system
- dispose of solid waste using transfer stations, landfill site and incinerator
- control subdivision servicing for the Region and City of Hamilton
- provide engineering services to the City of Hamilton
- provide Regional laboratory services including spill control administration
- provide construction survey services
- provide engineering services to area municipalities upon request

***Libraries***

- provide a full range of library service programs for the Wentworth Library Board which operates fifteen libraries throughout the municipalities of Ancaster, Dundas, Flamborough, Glanbrook and Stoney Creek

***Planning***

- provide the most efficient and effective land use and development pattern in the Region
- provide economic analysis and policy development
- prepare and maintain Regional official plan
- process and report on plans of subdivisions and condominiums
- develop and maintain a centralized Regional information service
- provide planning services for area municipalities upon request

***Health Services***

- achieve optimal health for the community through health promotion, health protection and disease prevention programs and services
- provide public health programs including public health inspection, nursing, nutrition and dental plus administration and medical
- provide services funded through Ministry of Community and Social Services (Child and Adolescent Mental Health Program), Ministry of Health (Dental Treatment, Alcohol and Drug Assessment Service and Community Mental Health Promotion Program) and Ministry of Environment (Septic Services)
- facilitate the integration of service, education and research to maintain excellence in Community Health Services through affiliation with McMaster University as a Teaching Health Unit

***Economic Development***

- project Hamilton-Wentworth as a Regional Centre
- retain and expand existing enterprises
- develop industrial land
- foster small business
- facilitate investment opportunities
- identify business partners
- attract people and employment
- assist technology and skills development
- promote tourism and special events
- attract conventions

***Transportation Services***

- provide a public transit system for the Region's citizens, through the operations of the Hamilton Street Railway
- provide a public inter-city transit system to more than 20 towns and cities, through Canada Coach Lines Limited
- maintain a public transit fleet of 247 natural gas, electric trolley and diesel buses and 30 coach carriers
- maintain the transit infrastructure for 33 routes covering 412 kms
- provide charter service, tours, sightseeing and parcel express service

***Red Hill Creek Expressway Project Office***

- manage and administer the planning, design and construction of the roadway facility consistent with the funding schedule
- undertake the acquisitions and clearance of the necessary right-of-ways, including utility relocation
- ensure the implementation of the roadway facility incorporates the required environmental protection features

***Personnel Services***

- provide personnel services and policies
- negotiate collective agreements and labour relation services
- provide occupation, health and safety services
- provide staff training and development
- provide employee assistance and administer suggestion plan programs
- maintain employee records
- implement pay and job equity programs

***Legal Services***

- serve the legal needs of the Regional Corporation, including Council and all Regional Departments, Board and Agencies

***Regional Clerk Services***

- Council Secretariat
- maintain and manage Regional official documents and records
- provide courier, mail, and printing services
- carry out statutory responsibilities respecting the Local Improvement Act, Secretary to Court of Revision
- provide public with access to Council records

***Airport***

- administer and operate the airport to Transport Canada standards and safety requirements
- promote the airport to the aviation industry through personal contact and advertising

*Old Town Hall, Ancaster*

*Family Court House, Hamilton*

The Regional Municipality of Hamilton-Wentworth was incorporated in 1973 by the Ontario Legislature and represents the upper tier of a two tier system of government. The lower tier is comprised of six area municipalities, the Cities of Hamilton and Stoney Creek, the Towns of Ancaster, Dundas and Flamborough, and the Township of Glanbrook. A council of twenty-eight elected members consisting of a Chairman and twenty-seven councillors governs the Region. Each member of Regional Council has one vote except the Chairman who only votes to break a tie. All powers of the Council are exercised through the passage of bylaws or resolutions.

Hamilton-Wentworth has a political structure which consists of a Council-Committee-Chief Administrative Officer system of government. The Chief Administrative Officer supports Regional Council by directing the daily operations of the Region through appointed department heads, and through the administration of Regional policies.

Councillors sit on various committees which function to advise Council on the establishment of objectives, as well as the planning and priorization of operational and capital programs. Eleven standing or special committees have been formed under the following functionalized responsibilities: finance and personnel, audit, information systems, accommodation, engineering, health and social services, economic development and planning, legislation and reception, freeway, transportation services and airport. The committee process has allowed for the close scrutiny and debate of staff recommendations and requests before their discussion and possible approval at Regional Council.

## *MEMBERS OF COUNCIL*
## *1988 - 1991*

***Chairman***
R. Whynott

***Township of Glanbrook***
Mayor, H. Bell
Councillor, G. Etherington

***Town of Dundas***
Mayor, J. Addison
Councillor, J. Prentice

***Town of Ancaster***
Mayor, R. Wade
Councillor, A. Sloat

***Town of Flamborough***
Mayor, J. Robb
Councillor, D. Granger

***City of Stoney Creek***
Mayor, S. Napper
Councillor, R. Hodgson

***City of Hamilton***
Mayor, R. Morrow
Councillor, T. Cooke
Councillor, M. Kiss
Councillor, V. Agro
Councillor, W. McCulloch
Councillor, D. Drury
Councillor, B. Hinkley
Councillor, G. Copps
*Councillor, V. Formosi
Councillor, D. Agostino
Councillor, F. Lombardo
*Councillor, D. Wilson
Councillor, T. Jackson
Councillor, J. Gallagher
Councillor, H. Merling
Councillor, T. Murray
Councillor, D. Ross

* *Councillors V. Formosi and D. Wilson replaced Councillors J. Smith and D. Christopherson in 1990*

*77 year old post office, Dundas*

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